

Insurance Terminology

Premium

A Premium is the price of the insurance plan. It usually depends on your age. The older you are the more it costs. Higher premiums usually mean more insurance coverage. If you have a pre-existing condition such as asthma, you might consider a higher-level plan.

Plan Year

A Plan Year is the period of time for coverage and usually is for group plans. The South Dakota Board of Regents (or BOR) has a mandatory group insurance plan for international students, and the plan year is from August 1 to July 31.

Deductible

A Deductible is the amount you must pay before the insurance company pays any charges. It may be paid once per year or once per illness, condition or event.

For example: Your deductible is \$500 for the year. You must pay up to the \$500 and then the insurance company will start paying for a portion of the bills.

In-Network or Provider Network

In-network means a group of medical providers that contract with the insurance company to charge a little less for a visit or procedure. They may accept direct payments from the insurance company.

If a medical provider states that they will bill the insurance company first, that means they will send the bill to the insurance company, the insurance company will pay a portion, then you will pay the rest.

Do not forget to pay! It could be bad for your credit. Bills from the medical provider may arrive 2-3 months after your visit.

Out of network providers

This is opposite of In-Network providers. If you go to a medical provider that does not contract with the insurance company, you will pay more for the visit. It is important to check on the insurance website for a list of providers that accept the insurance.

Co-Insurance

Co-insurance is any additional amount you must pay after the deductible is met. If you are in-network, most co-insurance costs are 20% of the bill. The co-insurance will be higher out-of-network, perhaps 30-40%, rather than 20%.

Co-Pay

Co-pays are sometimes used instead of a deductible, such as a set amount for a doctor visit. They may also be used in addition to the deductible. This option is usually not available in student plans.

Usual, Reasonable and Customary

Usual, Reasonable and Customary, also called URC and is based on the average cost for a geographic area. Insurance companies often use a regional index to determine URC.

Pre-Existing Conditions

Pre-Existing Conditions are any condition or injury you had prior to purchasing the insurance plan. Some companies will not cover at all; others might cover if a specific amount of time has passed. Six months is a common time frame